

**CITY OF UPLAND
PROFESSIONAL SERVICES AGREEMENT**

This Agreement is made and entered into as of December 13, 2021 (Effective Date) by and between the City of Upland, a public agency organized and operating under the laws of the State of California with its principal place of business at 460 N. Euclid Avenue, Upland, CA 91786 ("City"), and David Taussig and Associates, Inc. dba DTA, a Corporation with its principal place of business at 5000 Birch Street, Suite 3000, Newport Beach, CA 92660 (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

A. City is a public agency of the State of California and is in need of professional services for the following project: preparation of a Comprehensive Development Impact Fee Study (hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for City to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the City with the services described in the Scope of Services attached hereto as Exhibit "A."

2. Compensation.

a. Subject to paragraph 2(b) below, the City shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit "B."

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of fifty-two thousand dollars (\$52,000), inclusive of incidental out-of-pockets costs subject to prior approval by the City. Periodic payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis based on percentage of project completed.

c. The City Manager may approve Additional Work, as further defined in Section 3, up to ten percent (10%) of the amount of the Agreement. Any additional work in excess of this amount shall be approved by the City Council.

3. Additional Work.

If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following

manner: a letter outlining the changes shall be forwarded to the City by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the City and executed by both Parties before performance of such services, or the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by City.

5. Term

The term of this Agreement shall be from the Effective Date to December 31, 2022, unless earlier terminated as provided herein. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Project. Consultant shall perform its services in a prompt and timely manner within the term of this Agreement and shall commence performance upon receipt of written notice from the City to proceed ("Notice to Proceed"). It is expected that Consultant will complete its review and analysis and submit its final report, plans and recommendations to the City by March 31, 2022. The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

a. Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; pandemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the City, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the City, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor

Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant shall become an employee of City. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from City as herein provided.

a. PERS Eligibility Indemnification

In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System ("PERS") to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

11. Insurance. Consultant shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the City.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Agreement
- (8) Property Damage
- (9) Independent Contractors Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status using ISO endorsement forms CG 20 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the City, and provided that such deductibles shall not apply to the City as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the City.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status.

(iv) Subject to written approval by the City, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the City as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the City and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 combined single limit
Employer's Liability	\$1,000,000 per accident or disease
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the City evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Consultant shall provide the City at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the City at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the City or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to provide a waiver of subrogation in favor of the City, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the City and shall not preclude the City from taking such other actions available to the City under other provisions of the Agreement or law.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the City, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the City, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary, and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

(iii) The City may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither the City nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the City that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the City as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, City may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the City, its officials, officers, employees, agents, or volunteers.

b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance of "design professional" services (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

b. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the City. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

14. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. Reserved

16. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of San Bernardino, State of California.

17 Termination or Abandonment

a. City has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, City shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. City shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by City and Consultant of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Agreement through no fault of Consultant.

18 Documents.

a. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the City.

b. Notwithstanding the above, computer software (including without limitation financial models, compilations of formulas and spreadsheet models) prepared by Consultant are Instruments of Service of Consultant and shall remain the property of Consultant. Consultant shall likewise retain all common law, statutory and other reserved rights, including the copyright thereto.

19. Organization

Consultant shall assign Kuda Wekwete, Managing Director, as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the City.

20. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

21. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

DISTRICT:

City of Upland
460 N. Euclid Avenue
Upland, CA 91786
Attn: City Manager

CONSULTANT:

DTA
5000 Birch Street, Suite 3000
Newport Beach, CA 92660
Attn: David Taussig, President/CEO

and shall be effective upon receipt thereof.

22. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and the Consultant.

23. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

24. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of City and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each Party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

25. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the remaining provisions unenforceable, invalid or illegal.

26. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each Party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of City. Any attempted assignment without such consent shall be invalid and void.

27. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either Party, unless such waiver is specifically specified in writing.

28. Time of Essence

Time is of the essence for each and every provision of this Agreement.

29. City's Right to Employ Other Consultants

City reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

30. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN CITY OF UPLAND AND
DTA**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY OF UPLAND

By: 

Michael Blay
City Manager

DAVID TAUSSIG AND ASSOCIATES, INC DBA
DTA

By: 

Its: President

Printed Name: David Taussig

**(Two Signatures of Corporate Officers Required
For Corporations)**

By: 

Its: SECRETARY

Printed Name: CECILY BURKE

ATTEST:

By: 

Keri Johnson
City Clerk

EXHIBIT A

Scope of Services

[Upland Comprehensive Development Impact Fee Study
Proposal dated October 18, 2021]



www.FinanceDTA.com

RESPONSE TO REQUEST FOR PROPOSALS (RFP)

CITY OF UPLAND

COMPREHENSIVE DEVELOPMENT IMPACT FEE
STUDY

PROPOSAL SUBMISSION DEADLINE:

October 18, 2021, at 4:00 p.m.

Public Finance
Public-Private Partnerships
Development Economics
Clean Energy Bonds

*Newport Beach | San Jose | San Francisco | Riverside
Dallas | Houston | Raleigh | Tampa*

CITY OF UPLAND



COMPREHENSIVE DEVELOPMENT IMPACT FEE STUDY

PROPOSAL SUBMISSION DEADLINE:

OCTOBER 18, 2021, AT 4:00 P.M.

Prepared for:

City of Upland
460 N. Euclid Avenue
Upland, CA 91786

Project Contact:

Kuda Wekwete
Managing Director, DTA
5000 Birch Street, Suite 3000
Newport Beach, CA 92660
Phone: (800) 969-4DTA

October 18, 2021

City of Upland
460 N. Euclid Avenue
Upland, CA 91786
E-mail: WKomers@UplandCA.gov

RE: Request for Proposals ("RFP") for a Comprehensive Development Impact Fee Study

To Whom it May Concern:

DTA, formerly David Taussig & Associates, is pleased to submit this proposal to the City of Upland (the "City"). It is our understanding that the City is seeking a consultant to conduct a comprehensive update of City fees and prepare an Assembly Bill ("AB") 1600 Development Impact Fee ("DIF") Nexus Study ("Fee Study"). This study would recommend the appropriate fee justification methodology and fee levels to support specific types of City-selected capital facilities needed to serve new growth. The City's current development impact and in-lieu fees include the Public Facilities Fee, Police Facilities Fee, Park Facilities Fee, Transportation Facilities Fee, Water Facilities Fee, Sewer Facilities Fee, and Storm Drain Facilities Fee.

With respect to DIF Nexus Studies, each of DTA's AB 1600 studies, similar to our Assessment District ("AD") formation work, includes a benefit cost analysis and the determination of nexus between the facilities financed and specific financing mechanism, which in this case would be the DIF(s). DTA has prepared approximately 500 fee justification studies to date for a variety of public improvements, including transportation, water, sewer and flood control facilities, fire and police stations, parks, libraries, and other types of infrastructure. **In recent years, our firm has prepared AB 1600-compliant DIF justification studies and/or Quimby Act-compliant fee studies for the Cities of Anaheim, Blythe, Brawley, Calexico, Campbell, Cathedral City, Cerritos, Chino Hills, Colton, Costa Mesa, Desert Hot Springs, Fontana, Fowler, Hesperia, King City, Los Banos, Mammoth Lakes, Palo Alto, Pasadena, Paso Robles, Perris, Redlands, San Francisco, San Jacinto, San Jose, San Luis Obispo, Temple City, Torrance, Tustin, and Victorville and the Counties of Fresno, San Bernardino, San Jose, San Luis Obispo, Santa Barbara, Shasta, and Yuba, among others.**

In addition, DTA has closely followed the evolution of AB 602 and is prepared to implement recently amended Government Code Sections 65940.1 and 66019 and the added Section 66016.5, as necessary. These will be required for the City's Fee Study as the City will be adopting its new DIF ordinance after January 1, 2022, and may also wish to conform with revised regulations that apply to new ordinances after July 1, 2022. Information on AB 602 and DTA's experience in other states with similar impact fee requirements is included in the enclosed proposal.

DTA has an office in Riverside. Therefore, DTA staff will be available locally (as well as in our Newport Beach office) to assist the City throughout the Fee Study process. DTA staff members have considerable experience working on fee models for a variety of public improvements and will take a hands-on, detail-oriented approach with an emphasis on accuracy, efficiency, and reliability. As a result, from unique deadlines to fluid, potentially changing priorities, DTA is ready to hit the ground running with David Taussig as the proposed Principal-in-Charge. DTA is very proud that even after 45 years of experience in the industry, to this day, Mr. Taussig continues to seek innovative answers to the industry's biggest questions and contributes to the development of public finance and development-related legislation.


As described in greater detail in the attached proposal, DTA is a public finance consulting firm with offices in Newport Beach, San Jose, San Francisco, and Riverside, California, as well as Dallas and Houston, Texas, Raleigh, North Carolina, and Tampa, Florida. Since its establishment in 1985, DTA staff has completed consulting assignments for more than 3,000 clients in 10 states. During this period, the firm has been involved in the formation of more than 2,000 public finance districts, with total bond authorizations exceeding \$75 billion. Our financing programs have utilized a variety of public financing mechanisms, such as ADs, Community Facilities Districts ("CFDs"), Enhanced Infrastructure Financing Districts ("EIFDs"), Certificates of Participation, Tax Allocation Bonds, Sewer and Water Revenue Bonds, Marks-Roos Bond Pools, Landscaping and Lighting Districts ("LLDs"), Integrated Financing Districts, and various types of fee programs. DTA is licensed and registered with the U.S. Securities and Exchange Commission ("SEC") and Municipal Securities Rulemaking Board ("MSRB") as a Municipal Advisor (No. 867-01160) and follows all the fiduciary requirements associated with this designation.

DTA's diverse and multidisciplinary project team for this project has the breadth of experience required to provide impact fee consulting services in a professional and timely manner. David Taussig, President/CEO, would be the Principal-in-Charge and have the City's primary account responsibility. Mr. Taussig would be assisted by Kuda Wekwete, a Managing Director at DTA, Nathan Perez, Esq., a Managing Director at DTA, Steve Runk, P.E., Vice President of Engineering Services at DTA, and Richard Ruiz, a Senior Associate at DTA, in addition to other support staff. As our staff is local, minimal travel will be required for all meetings and DTA staff can offer an ease of scheduling. In fact, we would consider ourselves to be an extension of City staff.

Mr. Wekwete, who will serve as the Project Manager, holds a Series 50 license as a Municipal Advisor with the SEC/MSRB under rules promulgated following the Dodd Frank Act in 2010. Brief resumes for each of our team members are included in Section IV of this proposal. Key personnel will be available to the extent proposed, or designated by the City, for the duration of the project and no person designated as "key" to the project shall be removed or replaced without the prior written concurrence of the City. All personnel will be available full-time (100%) for the duration of the project and a proposed schedule can be found in Section I.

If you have questions regarding this proposal, please feel free to call me or Kuda Wekwete at (800) 969-4DTA. We look forward to having the opportunity to work with the City on this engagement.

Best Regards,



David Taussig
President/CEO
Phone: (800) 969-4DTA
Fax: (949) 480-0034
David@FinanceDTA.com

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I PROJECT UNDERSTANDING AND APPROACH

A Project Approach

With respect to the Fee Study, DTA would provide all-inclusive professional and technical support to the City in developing a conceptual project scope, in addition to reviewing any existing City DIF studies, the City's General Plan, Specific Plans, and the Capital Improvement Program ("CIP"). DTA's comprehensive review of required impact fee and capacity fee levels shall be documented in a formal Nexus Study prepared under California Government Code 66000 *et seq.* DTA's Final Report would present a fee methodology that satisfies the "rational nexus" tests used by the courts to determine the legality of development exactions. Having previously been subject to legal and developer scrutiny, DTA has developed a streamlined approach and methodology that establishes a rational and substantial nexus between new development and the need for public facilities.

New State Legislation: With the recent approval by the State Legislature of AB 602, the City must be in compliance with new nexus requirements that apply to any DIF studies approved by the City Council after January 1, 2022. Starting on that date, if the City decides to adopt infrastructure standards that are above its existing levels of service, the DIF analysis must include an explanation of why the new level of service is necessary. Furthermore, if the study is adopted after July 1, 2022, the City's approved impact fees must either be levied on residential development on a per square foot basis or the DIF Study must include specific findings explaining why square footage is not an appropriate metric to calculate the fees. Even if the City approves its DIF study prior to July 1, 2022, it may wish to utilize a residential square footage metric to maintain consistency with other jurisdictions that will be adopting their next DIF analysis after July 1st. DTA is familiar with this new residential square foot metric based on work we have performed on school fee studies in California and other impact fee studies outside of California, as well as fee studies in Arizona and other states where new higher levels of service must be justified.

General Approach to Development Impact Reviews and Nexus Studies: In determining a reasonable nexus for each specific type of public facility, DTA will utilize one or more of the methodologies discussed below depending upon the data and other information available from the City and its current infrastructure policies. All of these fee methodologies employ the concept of an Equivalent Dwelling Unit ("EDU") to allocate benefit among various land use classes. EDUs are a means of quantifying different land uses in terms of their equivalence to a residential dwelling unit, where equivalence is measured in terms of potential infrastructure use or benefit from each type of public facility. For many types of facilities, EDUs are calculated based on the number of residents or employees generated by each land use class. For other facilities, different measures, such as the number of service calls, quantity of trip miles, or amount of storm water run-off, more accurately represent the benefit provided to each land use class. Transportation facilities typically demand EDU calculations predicated on a per unit or per trip basis, or according to Vehicle Miles Traveled ("VMT") criteria.

The three types of fee methodologies used by DTA to establish EDUs for a public facility within a typical AB 1600 study are based on either an existing Infrastructure Plan, a predetermined capacity amount, or a generic standard.

Plan-Based Fees: The first method of apportioning fees is based on a “plan,” such as a Master Plan of Facilities, that identifies a finite set of improvements. These Facilities Plans generally identify a specific set of facilities needed by the public agency and are developed according to assessments of facilities needs prepared by staff and/or outside consultants and adopted by the public agency’s legislative body. With this plan-based approach, specific costs can be projected and assigned to all land uses planned in the future, often with a specific time period in mind that reflects new development projections. In preparing an impact fee analysis, facilities costs can be allocated in proportion to the amount of demand caused by each type of future development. It works well when it is difficult to measure the actual service needed by a land use type or where capacity cannot be directly related to demand. Roads and flood control improvements are examples where plan-based fees are often used. These fees are typically per unit assessments. This type of plan-based approach is generally preferable to the two other approaches to cost allocation listed below, but it does require the existence of a Facilities Plan, which is not always available.

Capacity-Based Fees: A second method of fee assessment is based on the “capacity” of a service or system, such as a water tank or a sewer plant. This kind of fee is not dependent on a particular Land Use Plan (i.e., amount or intensity), but rather it is based on a rate or cost per unit of capacity that can be applied to any type of development as long as the system has adequate capacity. This type of fee is useful when the costs of the facility or system are unknown at the outset, but it requires that the amount of capacity used by a particular land use type be measurable or estimable. Capacity-based impact fees are assessed based on the demand rate per unit. This type of fee would most typically be assessed for water or wastewater systems.

Standard-Based Fees: A third method of assessing fees is based on “standards” where costs are based on units of demand. This method establishes a generic unit cost for capacity, which is then applied to each land use per unit of demand. Parks are an excellent example of this type of fee structure. California’s Quimby Act allows cities and counties to establish a service standard, typically 3.0 to 5.0 acres of parkland per thousand residents, that may be required of all new residential development. For the City, the service standard is 3 acres of parkland per 1,000 residents, as reflected in Policy OSC-3.5 of the City General Plan. Thus, this standard is not based on cost but rather on a standard of service. This methodology provides several advantages, including not needing to know the cost of a specific facility and/or how much capacity or service is provided by the current system or having to commit to a specific size of facility.

In preparing its analysis, DTA will apply one or more of these three methodologies to each facility type to generate applicable fee levels. However, the results of our quantitative analyses will be tempered by real-world factors to be at least considered by the City prior to the adoption of revised fee levels. For example:

- How do the proposed fee levels compare with those imposed in neighboring jurisdictions?
- Do any of the fee components need to be substantially modified or eliminated?
- Are there additional types of facilities for which the City might wish to add a new fee to its current list?
- Will the calculated fee levels be so high they discourage future development? If so, the list of needed facilities could be shortened, with more facilities being assigned to individual

development projects through conditions of approval, so they are not funded through the City's fee program and, therefore, fee levels can be decreased.

- As the fees calculated by DTA are considered "maximum" fee levels as defined under the California Mitigation Fee Act, should the City impose lower fees for one or more land use types for a period of time to encourage certain types of land development?
- Should a "fee credit" program be established for developers who build or oversize facilities on the City's facilities needs list?
- Should a stakeholders' committee or group be established to ensure outside input prior to the preparation of the Fee Study?
- Should the automatic fee escalator be reviewed to possibly further mitigate the impacts of inflation on the fee program prior to the preparation and adoption of the next fee program by the City?

These questions and related issues will be discussed during the kickoff meeting and affect the implementation of the Scope of Work. One area in which City input is critical is the development of a Public Facilities Needs List ("Needs List") highlighting those public improvements that provide benefit to an area larger than a single development project, making an impact fee an excellent mechanism to accrue funding. DTA would request copies of the City's CIP, any Master Facilities Plans and approved Specific Plans, and City staff input regarding those improvements to be included on the Needs List. Details regarding the specific information being requested by City staff are included under Tasks 1 and 3 and in Section C, below.

B Proposed Scope of Work

Work products stemming from the work plan described in this section will include:

- A memorandum ("memo") summarizing the fee methodology options; and
- The Draft and Final Administrative Fee Reports.

DTA has an enviable reputation for producing high-quality work in a quick and efficient manner to correspond with even the most aggressive project schedule. DTA's clients also receive high levels of personal attention from senior staff, with a Principal, Senior Vice President, or Vice President always available to meet with public agency staff and other groups.

Task 1 – Development of Project Strategy and Kickoff Meeting

DTA staff shall meet with City staff in a project kickoff meeting to finalize the details of the engagement, deliverables, timetables, and tasks, discuss the fee methodologies and best practices, identify needed information (i.e., reports, project/Needs Lists, stakeholder groups, data, etc.), prepare the final project schedule, discuss the public process, and resolve other concerns, as appropriate.

Task 2 – Develop Population and Dwelling Unit Projections

DTA will compile and document existing and future population and development estimates for the City. The projections resulting from this task will ultimately calculate fee levels. This task comprises four subtasks.

Subtask 2A – Population Projections

DTA will gather existing information on present and future population for the City from various sources, including City staff, the General Plan, existing Master Plans, the U.S. Census, the San Bernardino County Transportation Authority (“SBCTA”), the State Department of Finance, and from other data sources, including the City’s CIP.

Subtask 2B – Conduct Entitlement Research and Projections

DTA will coordinate with the City Development Services Department to determine existing and future residential and non-residential development within the City over the planning horizon. To complete this subtask, DTA will review the General Plan/CIP and related plans to determine expected development land use patterns in the City, assess City records to identify existing entitlements for dwelling units and commercial/industrial development, and project the number of new dwelling units and commercial/industrial development based on existing entitlements and population projections through 2040, or such other target year as selected by City staff.

Subtask 2C – Review Current City Fee Structure

DTA shall review and summarize the City’s current development fee structures (i.e., Public Facilities Fees, Police Facilities Fees, Park Facilities Fees, Transportation Facilities Fees, Water Facilities Fees, Sewer Facilities Fees, and Storm Drain Facilities Fees), City policies and procedures, and other regulatory requirements affecting potential fee structures and revenue program requirements.

Subtask 2D – Review Prior City Fee Justification Studies

DTA shall review the approach and methodology utilized in prior City fee justification studies so they can be evaluated in light of the City’s current needs.

Task 3 – Review Facility/Capital Needs and Levels of Service

This task entails DTA’s review of the facilities and capital needs required to serve new development in the City as projected in Task 2. DTA will use existing City materials as base documents and focus our effort on updating this information.

For any fee program to be comprehensive in its scope, it is necessary to complete a thorough identification and review of all the facilities that will be impacted by additional growth, including those already discussed in the General Plan or CIP. This task will require close coordination with all appropriate City departments.

Subtask 3A – Survey/Interview City Staff

DTA shall survey/interview City staff to review projected facilities in the City, along with major equipment needs, the timing at which improvements will be needed, and any physical data that would assist in developing the costs estimated below in Subtask 3C. Based upon the results of the surveys and interviews, DTA will verify and, if appropriate, expand the list of new facilities found in the General Plan/CIP to be included within the fee program for the City.

Subtask 3B – Facilities List

Based on the information collected in Subtask 3A, DTA shall prepare a Needs List that details the new facilities and equipment to serve new development in the City.

Subtask 3C – Review Cost Estimates

DTA's engineering and technical staff will, as necessary, consult with City department heads and/or engineering staff or equivalent to ascertain and understand in-house cost data for existing and projected facilities and equipment, apply inflation and cost-of-living escalators to the list of projected public facilities to determine future costs, review and/or refine existing cost data, examine major sources of revenue to fund the construction of new public facilities, and provide a proportional estimate between projected costs for new facilities and estimated revenue from mitigation fees and other sources.

Subtask 3D – Infrastructure or Facilities Improvement Plan

DTA will prepare an Infrastructure or Facilities Improvement Plan that reflects the costs of infrastructure, improvements, real property, financing, other capital and associated appurtenances, equipment, vehicles, furnishings, and other eligible items that are associated with meeting future needs necessary for public facilities as allowed per State statutes.

Deliverables: Infrastructure or Facilities Improvement Plan; Needs Assessment Report

Task 4 – Develop Methodology for Calculating New Fee Amounts

This task entails developing the methodology used to establish the fee amount for each fee component to the extent appropriate. Since fees of any sort can be controversial from some stakeholders' perspectives, it is critical that any fee established be legally defensible. DTA's Fee Study methodology must meet the nexus or benefit requirements of AB 1600, which requires that there be a nexus between the fees imposed, use of the fees, and development projects on which the fees are imposed. Furthermore, there must be a relationship between the amount of the fee and cost of the improvements. In order to impose a fee as a condition for a development project, the methodology must accomplish the following:

- Identify the purpose of the fee;
- Ascertain the use to which the fee is to be put; if the use is financing public facilities, the facilities must be identified;
- Determine how there is a reasonable relationship between the fee's use and type of development project on which the fee is imposed; and
- Identify how there is a reasonable relationship between the need for the public facility and type of development project on which the fee is being imposed.

Implicit in these requirements is a stipulation that a public agency cannot impose a fee to cure existing deficiencies in public facilities or improve public facilities beyond what is required based on the specific impacts of new development. The benefit methodology established in this task will be documented in the Final Report.

DTA shall prepare a memo to be submitted to City staff summarizing available methodologies and their respective pros and cons and providing detailed examples of other cities', counties', or agencies' impact fee programs. Methodologies to review will include programs based on auto vehicle trips or VMT, all mode trips (e.g., auto, transit, bike, and walk), square footages, or household units, etc. The memo will also discuss, as applicable, context-sensitive adjustments and "credits" for capital improvements required as part of a project application. DTA will recommend a Fee Expenditure Plan to ensure that projects can be fully funded and implemented within any required time limits for expenditures of such funds, as well as possible flexibility to allow collected fees to be used to provide the City with a match for grant applications. Finally, the memo will include recommendations for methodology and next steps. Upon review and discussion by City staff, a methodology will be selected.

Deliverable: Memo Summarizing the Fee Methodology Options

Task 5 – Determine Fee Levels

This task entails calculating the fee amounts based upon the dwelling unit and commercial/industrial development projections completed in Task 2, facilities needs and costs determined in Task 3, and methodology selected in Task 4. Should the City decide to adopt its fees in a manner consistent with recently approved AB 602, the fee amounts would be calculated on a per square foot basis for residential development.

Subtask 5A – Calculate Recommended Fee Amounts

DTA shall calculate fees for the City by inputting the data compiled under the preceding tasks and computing each fee to be levied. This work will be done in a spreadsheet format that can be updated annually.

DTA will also evaluate these recommended fee levels in comparison to fees currently imposed by surrounding cities, such as the Cities of Chino Hills, Claremont, Montclair, Ontario, and Rancho Cucamonga, so as to arrive at comparable and palatable fee levels.

Subtask 5B – Document Fee Derivation

DTA shall document the methodology utilized for the fee calculation model in such a manner that can be easily understood by the City, the public, and various stakeholders. DTA shall prepare written statements documenting the validity of the methodology for deriving each of the fees for the City. These statements will be made to meet the requirements of AB 1600 and documented in the Final Report discussed below.

Deliverables: Proposed Fee Levels; Brief Report of Similar Jurisdictions' DIFs, Including a Summary Table

Task 6 – Prepare Draft and Final Reports

This task entails the preparation of the Draft and Final Reports for consideration by the City Council and City staff.

Subtask 6A – Prepare Draft Report for Comments

Based on the work completed in Tasks 1-5, DTA will prepare the Draft Report for review

and consideration by City staff. The Draft Report will be prepared under the standards of AB 1600 and is expected to include an executive summary, population projections, the facilities and improvements list, areas of benefit (if applicable), fee calculations, recommended fee levels, and the suggested process for keeping fees current.

Subtask 6B – Prepare Final Report

Based on the incorporation of City staff comments and concerns on the Draft Report, DTA will prepare the Final Report for presentation to the City Council and City staff.

Deliverable: Draft and Final Reports

Task 7 – Outline Tasks Required for the Implementation and Administration of the Fee Program

DTA will prepare a list of tasks required of the City once they have adopted their new fee program. These tasks include the determination of actual fee levels if the City decides not to impose the maximum fee levels allowed under the Fee Study, the implementation of the fee credit program, and other issues the City may face when implementing the fee program. In addition, DTA shall prepare a Draft Ordinance to adopt the fee program, subject to review and approval by the City's legal counsel.

Task 8 – Attend Meetings and Public Outreach

This task entails attendance at three (3) in-person meetings/workshops and two (2) online meetings, with the in-person meetings including the kickoff meeting, a meeting with the City Council to present the draft Fee Study, and a meeting with the City Council to present the final Fee Study. The two online meetings will include City staff and/or interested stakeholders to discuss progress on the Fee Study and obtain City staff and stakeholder input. For this purpose, DTA will develop handouts for these meetings that summarize the findings and analysis from the Public Review Draft.

C Information to be Provided by the City

DTA requests that the following information be provided by the City at no charge and in a timely manner such that the project does not extend beyond three (3) months from the date of authorization to proceed:

- The City's General Plan, any Specific/Master Plans, Development Agreements, and data regarding existing entitlements;
- To the extent available, detailed description of the proposed public facilities, including the facility name and number of square feet, acres, etc. (as applicable for each type of facility);
- Inventory of completed facilities within the City, including type, size, and location of facility;
- Cost estimates for proposed facilities (DTA anticipates that the City's cost data and estimates will be reviewed by DTA staff and discussed with City staff);
- Existing City Fee Ordinances and/or Resolutions;
- Current Annual and Five-Year Reports per Government Code Sections 66006 and 66001; and
- Identification of any committed revenue sources pledged to fund proposed facilities.

D Project Management Services

DTA has assembled an experienced and capable team with expertise in each unique element of study requested by the City. A key objective for this project will be to complete all tasks of the project within the agreed-upon budget and schedule. Time and time again, DTA has proven its ability to adhere to contract agreements and understand the importance of good project management. A number of key strategies employed for all of DTA's clients are listed below.

- Reviewing prior studies and effectively managing data requests and data gathering/consolidation;
- Ensuring key stakeholder input is received prior to writing any reports, so work need not be duplicated;
- Leveraging technology to request and track information from various sources and stakeholders;
- Setting up standing conference calls (i.e., weekly, bi-weekly), in addition to scheduled meetings with City staff in order to stay on track with tasks and deliverables and discuss critical project elements; and
- Prepare internal report drafts for City staff review and discussion on conference call(s).

DTA utilizes the software application Vision to track project expenditures. This program is always available to DTA's employees and provides detailed project information ranging from the execution of the contract to completion of the project. To manage this contract effectively in terms of team performance, schedule compliance, and budget adherence, Mr. Wekwete, DTA's Project Manager, will utilize these tools:

- Bi-weekly assignment checklists throughout the life of the contract to ensure each task remains on schedule by utilizing proper staffing assignments.
- DTA will regularly be in touch with City staff via e-mail, telephone, and in-person meetings, as needed.
- Weekly budget review to ensure no budget overruns occur. DTA's customized accounting system will enable us to track the expenditures to date each week and ensure budget compliance.
- Regular meetings with City staff to discuss progress and any issues and receive guidance.

At DTA, all our multidisciplinary team members come from diverse backgrounds, and we put people first. We pride ourselves on developing strong relationships with our clients and working closely with them to understand the big picture and goals they want to achieve as a result of our engagement, as well as how DTA's work may impact other initiatives both now and in the future. At DTA, we understand that public finance isn't only about raising funds to pay for infrastructure or services. Public finance is about ensuring that communities can thrive by assessing what the best solution is for the community as a whole and what will help the community reach and sustain growth goals.

DTA brings an unbiased perspective combined with real-world experience in working with special districts, which gives us the ability to understand and communicate with all stakeholders throughout the process.



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SECTION I PROJECT UNDERSTANDING AND APPROACH

Regarding our engagement approach, we will work closely with City leadership to engage with property owners, business owners, and community leaders to understand any issues or pressure points, as well as what is envisioned for the future. We will use technological solutions, such as Zoom meetings and social media, to engage with stakeholders in the COVID environment.

Finally, DTA will provide independent, objective, and unbiased work product. DTA's General Counsel regularly reviews legal opinions, regulations, and statutes that impact or modify public finance-related case law. DTA is committed to providing unbiased deliverables that reflect the most current developments in public finance and real property law.

E Proposed Project Schedule

DTA's typical schedule of tasks for a DJF program/AB 1600 Nexus Study is outlined below. Given the City's desired project timeline, this timeline of events can and will be completed within the proposed time frame according to the City's specifications.

Table 1: Proposed Schedule

Task	Description	Weeks 1 to 3	Weeks 4 to 5	Weeks 6 to 7	Weeks 8 to 10	Weeks 11 to 12
1	Development of Project Strategy and Kickoff Meeting					
2	Develop Population and Demographic Projections					
3	Review Facility/Capital Needs and Levels of Service					
4	Develop Methodology for Calculating New Fee Amounts					
5	Determine Fee Levels					
6	Prepare Draft and Final Reports					
7	Outline Tasks Required for the Implementation and Administration of the Fee Program					
8	Attend Four (4) Additional Meetings and Public Outreach					
Ongoing	Communication, Education, and Outreach of Project					

II RELEVANT EXPERIENCE

A Firm Overview

It is DTA's understanding that the City is seeking a consultant to conduct a comprehensive update of City fees and prepare a Fee Study. This study would recommend the appropriate fee justification methodology and fee levels to support specific types of City-selected capital facilities needed to serve new growth. The City's current development impact and in-lieu fees include the Public Facilities Fee, Police Facilities Fee, Park Facilities Fee, Transportation Facilities Fee, Water Facilities Fee, Sewer Facilities Fee, and Storm Drain Facilities Fee.

DTA is a public finance and urban economics consulting firm specializing in infrastructure and public services finance. Our firm, which was founded in 1985, provides public finance consulting services to both public and private sector clients. We have offices in Newport Beach, San Francisco, San Jose, and Riverside, California, as well as Dallas and Houston, Texas, Raleigh, North Carolina, and Tampa, Florida. Additional information on DTA is available on our website (www.FinanceDTA.com).

DTA has been performing public facilities fee consulting services for over 33 years, since DIFs were enacted in 1987 under AB 1600 by the California Legislature and codified under California Government Code §66000 *et seq.*, also called the Mitigation Fee Act (the "Act" or "AB 1600"). DTA has extensive experience preparing DIF studies that have complied with Section 66000 *et seq.* of the Government Code and withstood legal scrutiny to the extent that none of our prior studies have been subject to any litigation. DTA also retains in-house legal counsel who will be engaged in this project and can assist our firm in clarifying legal issues that may arise related to the review or preparation of the Fee Study.

DTA has a diverse, multidisciplinary staff of approximately 50 employees, all of whom are directly involved solely in public finance. Staff members come from backgrounds in several fields, including land development, public administration, civil engineering, investment banking, economic consulting, redevelopment, law, non-profit administration, and land use planning. This diversity of experience and expertise allows DTA to meet a wide variety of challenges related to both the actual work product and client management. DTA's staff members have considerable experience in computer-based financial analyses and modeling, which is a key component of the firm's consulting services. This ensures that the development of any computer model(s) utilized in the City's potential Fee Study will be in experienced hands.

Since its formation in 1985, DTA has assisted over 3,000 public and private sector clients in meeting their infrastructure and public services goals. DTA has been licensed and registered with the SEC and MSRB as a Municipal Advisor (No. 867-01160) and is following all the fiduciary requirements associated with this designation.

DTA's consulting services include the following:

- Proposition ("Prop") 218 and AB 1600-compliant impact fee studies;
- Quimby Act land valuation studies;
- Public infrastructure and public services financing strategies;
- Assessment engineering and special tax consulting;
- Annual administration of ADs and CFDs;
- Public-private partnerships;
- EIFD formation and ongoing management;
- Fiscal and economic impact analyses;
- Clean Energy Bonds;
- Federal and state grant, loan, and tax credit applications;
- Economic development and revitalization studies; and
- Public improvement construction management services.

DTA has been involved in the formation of over 2,000 public finance districts, with total authorized bonded indebtedness over \$75 billion. Our financing programs have utilized a variety of public financing mechanisms, such as CFDs, 1913/1915 Act ADs, 1972 Act LLDs, EIFDs, Certificates of Participation, Tax Allocation Bonds, Sewer and Water Revenue Bonds, Marks-Roos Bond Pools, Integrated Financing Districts, and various types of fee programs. DTA's level of experience with special district formations is unequalled as our firm is the State of California's leading special tax and assessment consultant, having prepared special tax and assessment formulas on behalf of public agencies for the establishment of over 1,200 CFDs, ADs, and LLDs. DTA also has considerable experience establishing a variety of financing districts and property owner associations for the purpose of funding public service shortfalls created by new development.

On a Statewide basis, DTA has planned and implemented Public Facilities Financing Plans ("PFFPs") that have ranged from the quantitative analysis of a single financing mechanism for an individual facility to the preparation of a comprehensive financing plan covering multiple facilities and public services through a series of financing mechanisms. We at DTA feel strongly that our financial analyses provide public officials, landowners, and other interested parties with the level of information needed to make fully informed decisions regarding land use, infrastructure, and public services financing issues. DTA staff has extensive experience working with various stakeholder groups, including public agencies, public agency municipal staff, residents, local chapters of the Building Industry Association ("BIA"), local Chambers of Commerce, and other interested parties.

DTA's special assessment formulas, some of which have been in use since 1985, are based on a variety of methodologies that have withstood the test of time and legal scrutiny. Our firm's objective has been to take a balanced approach and utilize innovative and state-of-the-art techniques that enable all parties to receive the maximum benefit from public financing. DTA's knowledge and experience have enabled our firm to maximize the capacity of land-secured financing programs while minimizing burdens on homebuyers and other property owners.

DTA has earned the trust of public agencies, bond investors, and other industry participants. Our name is synonymous with quality, accuracy, and responsiveness. Our clients understand there is a quantifiable difference to our consulting services that gives us a clear edge over the competition.

DTA is committed to excellence and innovation, which allows us to attract and retain the most experienced and knowledgeable personnel in the industry. Our commitment to clients' needs is unsurpassed and our work product is simply better than our competitors'. We have been providing leading-edge annual special tax setting/assessment levy services for over 35 years.

DTA has an enviable reputation for producing high-quality work in a quick and efficient manner to correspond with even the most aggressive project schedule. DTA's clients also receive high levels of personal attention from senior staff, with a Principal, Senior Vice President, or Vice President always available to meet with public agency staff and other groups. Perhaps DTA's most outstanding qualification is the dedication and loyalty of the senior employees in our firm, many of whom have worked for DTA for 15-30 years, enabling our clients to count on the same personnel year after year on the job. As a result, DTA can offer a level of management expertise that is unequalled throughout the fields of public finance and special tax consulting. In fact, every DTA engagement is led by a Principal, Senior Vice President, or Vice President with at least 15 years of experience with our firm.

The result of this experience and expertise is that in over 35 years of work establishing over 2,000 financing districts and bond programs, DTA has never once been sued. Our quality control is without peer and one of the key components in ensuring our firm's success, especially when compared to so many other consulting firms in our industry that have been sued multiple times. DTA continues to seek innovative solutions and refine our work product to better serve and protect our clients.

B Comprehensive Fee-Specific Experience

As noted previously, DTA has been performing public facilities fee consulting services since DIFs were enacted under AB 1600 by the California Legislature and codified under California Government Code §66000 *et seq.*, also referred to as the Mitigation Fee Act. DTA has extensive experience preparing DIF studies that have complied with Section 66000 *et seq.* of the Government Code and withstood legal scrutiny to the extent that none of our prior studies have been subject to any type of litigation. DTA also retains in-house legal counsel who will be engaged in this project and can assist our firm in clarifying legal issues that may arise related to the review or preparation of the Fee Study.

DTA has prepared approximately 500 fee justification studies to date for a variety of public improvements, including transportation, water, sewer and flood control facilities, fire and police stations, parks, libraries, school facilities, and other types of infrastructure. Regarding the land valuation calculations that apply to Park Impact Fees and/or Quimby in-lieu fee calculations, DTA staff accesses multiple data resources and employs a variety of analytical strategies to ensure that the final recommended land valuation is one that properly smooths out the data to address the dramatic high and low figures that can be common in the San Bernardino County real estate market. We subscribe to the Costar real estate database that provides us with current



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SECTION II RELEVANT EXPERIENCE

and historical sales prices and lease rates for all local real estate transactions. In recent years, our firm has prepared AB 1600-compliant DIF justification studies and/or Quimby Act-compliant fee studies for the municipalities listed below, among others.

- City of Anaheim;
- City of Blythe;
- City of Brawley;
- City of Calexico;
- City of Campbell;
- City of Cathedral City;
- City of Cerritos;
- City of Chino;
- City of Chino Hills;
- City of Colton;
- City of Costa Mesa;
- City of Cypress;
- City of Desert Hot Springs;
- City of Escalon;
- City of Firebaugh;
- City of Fontana;
- City of Fowler;
- City of Glendale;
- City of Hesperia;
- City of Ione;
- City of Kingsburg;
- City of Lakeview;
- City of Live Oak;
- City of Los Banos;
- City of Manteca;
- City of Napa;
- City of Palo Alto;
- City of Pasadena;
- City of Paso Robles;
- City of Perris;
- City of Red Bluff;
- City of Redlands;
- City of Reedley;
- City of San Francisco;
- City of San Jacinto;
- City of San Jose;
- City of San Luis Obispo;
- City of Santa Ana;
- City of South San Francisco;
- City of Temple City;
- City of Torrance;
- City of Tustin;
- City of Victorville;
- County of Colusa;
- County of Fresno;
- County of Kings;
- County of Pasadena;
- County of Riverside;
- County of San Bernardino;
- County of San Francisco;
- County of San Luis Obispo;
- County of Santa Barbara;
- County of Santa Clara Fire Department;
- County of Shasta;
- County of South Santa Clara Fire District;
- County of Yuba;
- Town of Loomis;
- Town of Mammoth Lakes;
- Beaumont Cherry Valley Recreation and Parks District;
- Denair Community Services District;
- El Dorado Hills Community Services District;
- El Dorado Hills Fire Department;
- Jurupa Area Recreation and Park District;
- San Geronio Memorial Hospital;
- San Geronio Pass Water Agency; and
- South Yuba Transportation Improvement Authority.

III REFERENCES

Listed below are five (5) references for DTA's recent work involving impact fee studies for municipalities in California. We encourage you to contact our references to learn firsthand how well DTA staff meets the needs of its clients.

A City of Fontana, CA

Table 2: Reference Information

Location	City of Fontana, CA
Client Contact	Chuck Hays
Title	Public Works Director
Address	8583 Sierra Avenue, Fontana, CA 92335
Phone Number	(909) 350-6530
E-mail Address	CHays@Fontana.org
Project Dates	November 2018-Present
Project Budget	\$67,860

DTA recently updated the DIF study originally approved in 2006 by the City of Fontana. With the adoption of a new 2018 General Plan, the City decided to initiate a comprehensive update to the City's DIF program to accommodate new planned growth within the community. The City determined that it would be prudent to revisit each previous fee study and examine whether its current impact fees are sufficient to meet the long-term needs for expected growth in development while also considering any possible incentives or disincentives that may be created by current impact fees or any new fees that are imposed. Revised impact fees were calculated by using updated information on development and City facilities.

The purpose of this fee study was to ensure that all new development is required to pay its "fair share" of the cost of new infrastructure through the DIF program. The fee structure allocated costs to residential and non-residential land uses. The fee amounts that were generated in the study were intended to finance transportation, fire, law enforcement, public facilities, libraries, and parks and recreation at levels identified by the various City departments as being necessary to meet the needs of new development through 2035.

In order to prepare this analysis, DTA surveyed City staff on the facilities needed to serve new development for its fee calculations. The survey included the project description, justification, public benefit, estimated costs, and project financing for each proposed facility. Through discussions between DTA and City staff, a facilities needs list was prepared listing each project description and cost. For the purposes of the City's fee program, the needs list was intended to be the official public document identifying the facilities eligible to be financed, in whole or in part, through the levy of a DIF on new development within the City. Notably, the City Council unanimously adopted DTA's recommended DIF schedule on December 10, 2019.

B City of Colton, CA

Table 3: Reference Information

Location	City of Colton, CA
Client Contact	Mark Tomich
Title	Development Services Director
Address	659 North La Cadena Drive, Colton, CA 92324
Phone Number	(909) 370-5185
E-mail Address	MTomich@ColtonCA.gov
Project Dates	2019-Present
Project Budget	\$59,945

In order to adequately plan for new development and identify the public facilities and costs associated with mitigating the direct and cumulative impacts of new development, DTA prepared an updated AB 1600 fee justification study for the City of Colton. For this study, DTA updated all DIFs, including the adoption of new fees, when appropriate. Revised impact fees were calculated using updated information on development and City facilities.

The purpose of this fee study was to ensure that all new development was required to pay its "fair share" of the cost of new infrastructure through the DIF program. The fee structure allocated costs to residential and non-residential land uses. The fee amounts to be determined in this report included Finance, Traffic, Fire Department, Police Department, Public Facilities, Libraries, Civic Center, and Park Development DIFs at levels identified by the various City departments as being necessary to meet the needs of future development through 2035.

DTA surveyed City staff on the facilities needed to serve new development for its fee calculations. The survey included the project description, justification, public benefit, estimated costs, and project financing for each proposed facility. Through discussions between DTA and City staff, a facilities needs list was generated listing each project description and cost. The needs list went through a series of revisions to fine-tune the needs, costs, and methodologies used in allocating the costs for each facility. Per the request of the City, in addition to the DIF study, DTA also generated a standards-based Quimby Fee Report and new capacity-based Wastewater Fee Report.

C City of Anaheim, CA

Table 4: Reference Information

Location	City of Anaheim, CA	
Client Contact	Debbie Moreno	Rudy Emami
Title	Finance Manager	Public Works Director
Address	200 South Anaheim Blvd., Suite 276, Anaheim, CA 92805	
Phone Number	(714) 765-5195	(714) 765-5176
E-mail Address	DMoreno@Anaheim.net	REmami@Anaheim.net
Project Dates	1990-Present	
Project Budget	\$89,517	

DTA is currently assisting in analyzing the City of Anaheim's stormwater user fee revenues and developing a Financing Plan to fund annual operation and maintenance costs, capital improvements, and reserves. Our work involves the collection of land use and parcel data from the County of Orange, the City, and outside consultants. The goal of this work is to assess the feasibility of using new legislation to create a Storm Drain Fee. We are also working on a water quality credit program for the City.

In 2017, DTA assisted the City with an update of the City's DIF program. DTA prepared the demographics data, needs lists, and fee models for police, fire, library, parks, and transportation facilities. The park fee was developed pursuant to the Quimby Act of 1975, while all other fees were developed under AB 1600. In addition, as part of our role, DTA restructured the City's existing fee program in a manner that is more transparent and user-friendly for all constituents, including City staff and future developers. For instance, DTA worked with the City's Planning Department to establish the relevant land use classes for the study and eliminate or combine other land uses. These changes have resulted in a fee program that is easier to implement and better tracks the development that is occurring in the City. We are also currently assisting the City with an update of the City's Sewer Capacity Fee.

In addition, DTA is the Assessment Engineer/Special Tax Consultant for an existing Maintenance Assessment District ("MAD") for the City's Disneyland resort area and two existing CFDs. DTA is currently assisting the City with the formation of an MAD for the Platinum Triangle area. As the Special Tax Consultant, DTA has prepared the Rates and Methods of Apportionment ("RMAs"), Public Reports, and boundary maps. As the Assessment Engineer, DTA will formulate the benefit apportionment methodology for the AD in strict accordance with Prop 218 and prepare the required Engineer's Report and assessment diagram.

D City of Tustin, CA

Table 5: Reference Information

Location	City of Tustin, CA
Client Contact	Ken Nishikawa
Title	Deputy Director of Public Works/Engineering
Address	300 Centennial Way, Tustin, CA 92780
Phone Number	(714) 573-3389
E-mail Address	KNishikawa@TustinCA.org
Project Dates	2002-Present
Project Budget	\$25,750 (Fiscal Year 2017-18)

This project involved the preparation and updates for an AB 1600 fee justification study and a Fiscal Impact Analysis ("FIA") for the City of Tustin so it could proceed with the redevelopment of the Tustin Marine Corps Air Station, which has been renamed the Tustin Legacy project and is anticipated to include almost 5,000 housing units and 9,000,000 square feet of non-residential development. DTA prepared its original work in 2004, and has prepared updates in 2008, 2011, and most recently in 2018. DTA identified needed public facilities in the areas of transportation, flood control, public safety, park and open space, community amenities, and government services required by new development. Additionally, the levels of fees that need to be imposed to finance the expansion or creation of these facilities to adequately serve projected future development in the City were identified.

DTA has also successfully completed the formation of four Mello-Roos CFDs to finance infrastructure and public services for various phases of the Tustin Legacy project.

E City of Palo Alto, CA

Table 6: Reference Information

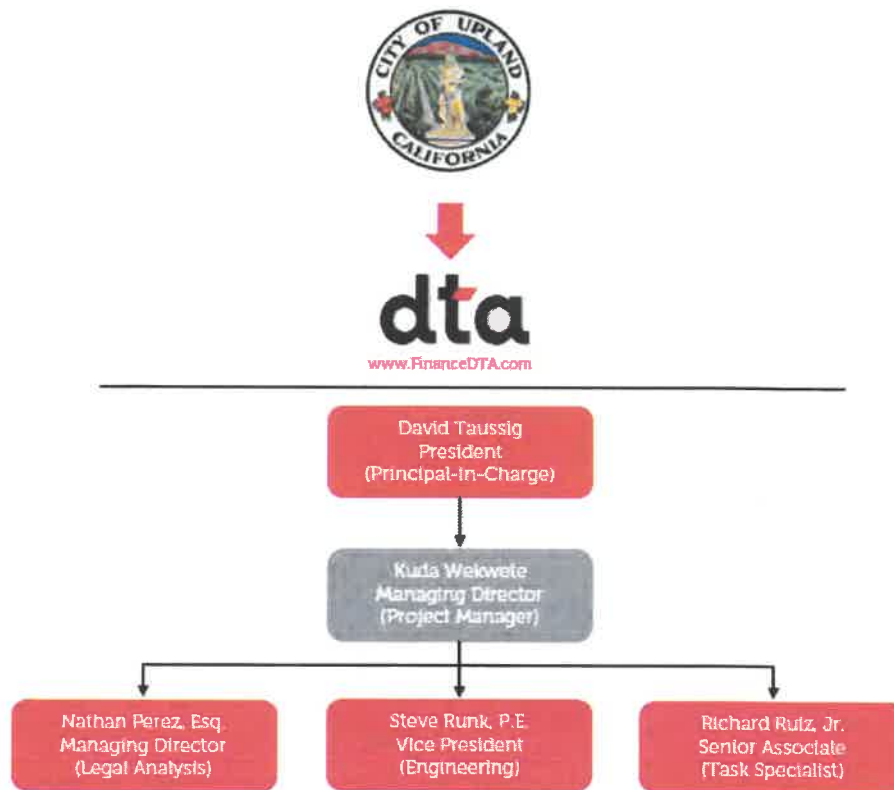
Location	City of Palo Alto, CA
Client Contact	Lindsay Wong
Title	Management Analyst
Address	1305 Middlefield Road, Palo Alto, CA 94301
Phone Number	(650) 463-4954
E-mail Address	Lindsay.Wong@CityofPaloAlto.org
Project Dates	April 2020-April 2021
Project Budget	\$60,000

DTA updated the City of Palo Alto's Public Safety and General Government DIFs in 2012 and recently prepared a Park, Community Center, and Library DIF justification study for the City intended to update their existing AB 1600 Park, Community Center, and Library Impact Fees. The purpose of the study was to evaluate existing City AB 1600 fees and recommend appropriate fee justification methodologies and new fee levels with a legally supportable analysis based on current and projected demographics. DTA provided professional and technical assistance to the City in preparing a comprehensive review of the City's AB 1600 Park Impact Fees. This included recommending an update to the City's Municipal Code pertaining to both Quimby Fees and AB 1600 Park Impact Fees, compiling parkland valuations, evaluating City-selected park, community center, and library capital facilities, and comparing the City's fee levels to that of neighboring communities in the San Francisco Bay Area. DTA also assisted in presenting the fee study to the Finance Committee, Parks and Recreation Commission, and City Council and ultimately bringing fee update recommendations before the City Council. The study was approved by the City Council on April 12th.

IV KEY PERSONNEL

DTA has assigned personnel to this project who bring experience and technical expertise to each unique element of study. Our team organization is illustrated below. Project roles of our key team members are described below and followed by professional biographies. All personnel will be available full-time (100%) for the duration of the project.

Figure 1: Team Organization Chart



DTA has assembled a project team with the breadth of experience required to assist the City with preparing the Fee Study. This project would be primarily handled out of DTA's Newport Beach office, but with support from our Riverside office. As our staff is local, minimal travel will be required for all meetings and DTA staff can offer an ease of scheduling. In fact, we consider ourselves to be an extension of City staff. Mr. Taussig will serve as the Principal-in-Charge of DTA's project team and handle primary account responsibilities for this engagement. Mr. Taussig will attend meetings as necessary and supervise all project staff.

Mr. Wekwete will serve as the Project Manager for the DTA team and be the City's primary point of contact throughout this engagement. Mr. Wekwete, based out of Newport Beach, will oversee all day-to-day activities and attend all meetings. This will include scheduled meetings with City staff at which he will provide regular updates regarding progress and any problems that have arisen. In addition, Mr. Wekwete will be setting up conference calls with City staff and other

interested parties whenever necessary. He may schedule these conference calls once per month on a date in-between any scheduled meetings with City staff.

Mr. Wekwete will handle the ongoing execution and completion of the entire Scope of Work and match DTA's work and deliverables with the City's needs and objectives. He will also manage the work of DTA's project team, including leading data collection efforts, directing the development of our technical model, providing senior-level analysis, reviewing progress and work products with City staff and stakeholders, presenting study findings at project meetings, and finalizing study documentation. Mr. Wekwete will be assisted in these tasks by Mr. Ruiz and other support staff.

Mr. Perez would be responsible for any legal analysis required of DTA, as well as modifications to the City's Fee Ordinance. Notably, DTA has **never been sued** in the 36 years we have been in business, which is truly remarkable considering the litigious nature of our given fields of expertise.

Mr. Runk will provide engineering expertise, assist in the selection of facilities to be included on the Needs List, prepare and/or review facilities cost estimates, and contribute to the apportionment analysis of specific facilities to be included in the fee program.

Key personnel will be available to the extent proposed, or designated by the City, for the duration of the project and no person designated as "key" to the project shall be removed or replaced without the prior written concurrence of the City. In addition, DTA is not behind schedule or past the completion date for any active projects and has a long history of delivering projects on a timely basis and adhering to agreements.

DTA will provide independent, objective, and unbiased work product. DTA's in-house General Counsel, Nathan Perez, regularly reviews legal opinions, regulations, and statutes that impact or modify AB 1600 and related case law. DTA is committed to providing unbiased deliverables that reflect the most current developments in public finance and real property law.

We have an enviable reputation for producing high-quality work in a quick and efficient manner to correspond with even the most aggressive project schedule. DTA's clients also receive high levels of personal attention from senior staff, with a Principal, Senior Vice President, or Vice President always available to meet with public agency staff and other groups.

A DTA Team Biographies

David Taussig

President | David@FinanceDTA.com

Project Role – Principal-in-Charge



Mr. Taussig has over 45 years of experience in the fields of real estate finance and urban economics. His areas of expertise include municipal finance programs for infrastructure and public facilities development, fiscal and redevelopment impact analyses, and land development project feasibility studies.

Mr. Taussig has an extensive background in computerized financial analyses. Since founding DTA in 1985, Mr. Taussig has developed several state-of-the-art analytical methods and modeling approaches, in addition to directing the formation of over 1,000 public financing districts and subsequent sale of tax-exempt municipal bonds. These districts have funded public infrastructure and services for many types of residential and non-residential development and included several hundred master-planned communities built throughout California and in several other western states. Mr. Taussig's work has involved both the preparation and implementation of financing plans and his public sector clients have included virtually every major urban county and city within California and hundreds of special districts. He has provided similar consulting services to many of the largest land development firms in the State of California. The financing programs implemented by Mr. Taussig have ranged from land-secured CFDs to redevelopment tax increment programs and lease revenue-based Certificates of Participation. He is also responsible for DTA's successful efforts related to funding opportunities under various tax credit programs.

Mr. Taussig has also overseen the preparation of numerous feasibility and impact studies involving computerized analyses of project cash flows and/or impacts on public agencies and landowners. He has assumed project management responsibilities for several dozen AB 1600 development fee justification studies, including recent studies prepared on behalf of the Cities of Blythe, Cathedral City, Coachella, Colusa, Fontana, Live Oak, Paso Robles, Perris, Red Bluff, San Luis Obispo, Torrance, and Tustin and the Counties of Riverside, Santa Barbara, and Colusa. He has also handled the preparation of over 100 fiscal impact studies utilized by public agencies to determine the impact of new development or annexations on a municipality.

Prior to establishing his own firm, Mr. Taussig was the Director of Finance for Gfeller Development Company, where he handled all take-out and construction financing for the company's residential projects and infrastructure. He also prepared development project proformas that were used by prospective lenders and joint venture partners to evaluate the company's proposed projects.

Mr. Taussig was previously employed for 6 years by Mission Viejo Company ("MVC") where, as the Manager of Housing and Community Development, he was involved in the planning and financing of two planned communities encompassing over 50,000 homes. Mr. Taussig handled a substantial portion of MVC's mortgage and infrastructure financing during that period. He

also worked for 5 years in the public sector as the Administrator of a Federal housing and community development program and as a Land Use Planner. Mr. Taussig's educational background includes a master's degree in city planning from the University of California at Berkeley and B.A. in economics from Cornell University. He has received full certification from the American Institute of Certified Planners.

Mr. Taussig and the firm are a registered Municipal Advisor with the SEC/MSRB. He holds a Series 54 license as a Principal Municipal Advisor and Series 50 license as a Municipal Advisor under regulations promulgated by the SEC and MSRB. Even after 45 years of experience in the industry, to this day, he continues to seek innovative answers to the industry's biggest questions and contributes to the development of public finance and development-related legislation. In addition, he is an active member of the Urban Land Institute's ("ULI's") National Council for Public-Private Partnerships ("NCPPP") and advocates and facilitates the formation of public-private partnerships at Federal, state, and local levels.

Kuda Wekwete

Managing Director | Kuda@FinanceDTA.com

Project Role – Project Manager

Since joining DTA in 2005, Mr. Wekwete has been involved in all aspects of the formation and implementation of special districts to fund infrastructure and services, as well as the sale of over \$300 million in CFD bonds. His work has involved the preparation of tax spreads and overlapping debt analyses for the formation and/or sale of bonds for over 175 special districts established throughout California. In this role, Mr. Wekwete has prepared RMAs, CFD and Engineer's Reports, and documents required for the formation of CFDs, sale of property, and annual levying of special taxes. He has also been responsible for preparing PFFPs involving CFDs and other public finance mechanisms.



In addition, Mr. Wekwete has been actively involved in the preparation of dozens of impact fee studies, especially in the area of transportation infrastructure costing, and apportionment of these costs over various land use types based on benefit criteria. His engineering background has enabled him to assist DTA's Vice President of Engineering Services in applying a variety of apportionment methodologies to the development of fee studies and establishment of Benefit ADs for public sector clients. **Mr. Wekwete's recent work on DIF studies has included engagements for the Cities of Colton, Desert Hot Springs, Fontana, Paso Robles, Perris, and Torrance and the Counties of Riverside, San Bernardino, San Luis Obispo, and Santa Barbara, among others.**

Mr. Wekwete also has experience in the preparation of Fiscal Impact Reports ("FIRs"), tax increment analyses, and PFFPs and has performed due diligence services and developed disclosure documentation for land purchasers, public agencies, and lenders.

Mr. Wekwete received his B.S. in operations research and industrial engineering from Cornell University and M.S. in operations research and industrial engineering from Columbia University. He also holds a Series 50 license as a registered Municipal Advisor with the SEC/MSRB under rules promulgated following the Dodd-Frank Act in 2010.

Nathan Perez, Esq.

Managing Director, In-House General Counsel | Nate@FinanceDTA.com

Project Role – Legal Analysis



Since joining DTA, Mr. Perez has been involved in all aspects of the formation and implementation of hundreds of Mello-Roos CFDs and ADs throughout California, New Mexico, Arizona, Texas, and Washington, with responsibilities related to developing tax spread proforma analyses and preparing RMAs, Public Reports, and overlapping debt analyses.

Mr. Perez also has extensive expertise in the preparation, peer review, and defense of hundreds of DIF studies. This includes considerable work related to the preparation of facilities needs lists and apportionment of infrastructure and services costs to many land uses based on benefit criteria. He has also specialized in the apportionment of costs and setting of service levels for the construction and maintenance of law enforcement and fire protection facilities, open space acquisition, parkland, transportation facilities, drainage facilities, government services facilities, community centers, and library facilities. **Mr. Perez' recent work on DIF studies has included engagements for the Cities of Escalon, Firebaugh, Kingsburg, Palo Alto, Pasadena, Paso Robles, Reedley, Rialto, San Jacinto, and San Luis Obispo and the Counties of Kings, San Bernardino, and Yuba, among others.**

Mr. Perez has also completed nearly 175 FIRs and 55 economic development analyses for a variety of residential, commercial, and mixed-use developments throughout California and 10 other states.

Finally, his experience as an attorney has allowed Mr. Perez to effectively and efficiently evaluate dozens of state and Federal legal, regulatory, and administrative frameworks related to public finance and infrastructure development.

Prior to joining DTA, Mr. Perez worked for the Boston office of an international law firm, where he advised sponsors, managers, and investors on the tax aspects of fund formation and investment. He is admitted to the bar in both Massachusetts and California. Mr. Perez received his law degree from Harvard Law School and B.A. in economics and history, with high distinction, from the University of North Carolina at Chapel Hill. In addition, Mr. Perez holds a Series 54 license as a Principal Municipal Advisor and Series 50 license as a Municipal Advisor under regulations promulgated by the SEC and MSRB.

Mr. Perez is an active member of ULI, the California Bar Association, and the Hispanic National Bar Association. He also serves on San Jose's Willow Glen Business Association's ("WGBA's") Board of Directors, which manages the Willow Glen Community Benefit Improvement District ("CBID") for the City of San Jose.

Mr. Perez was recently selected as an honoree for the 2020 Silicon Valley Business Journal's 40 Under 40 Awards and as a 2020 Rising Star by The Bond Buyer. These awards are testaments to his community service as a volunteer, his professional accomplishments, and his leadership experience in the field of public finance.

Steve Runk, P.E.

Vice President, Engineering Services | Steve@FinanceDTA.com

Project Role – Engineer (State License Number C23473 – California Registered Civil Engineer)

Mr. Runk has over 45 years of experience in the design and construction management of major civil engineering projects, including roadways, bridges, sewer and water improvements, and flood control facilities, grading for public works projects, and construction of commercial and industrial buildings. Mr. Runk's specific responsibilities have included design, quality control, specifications, estimates, construction bid packages, construction coordination and management, cost analyses and cost control, scheduling, manpower forecasting, staffing, and marketing. He has also assisted public agencies and developers in the procurement of funding from the California Department of Transportation ("Caltrans") and other Federal and state agencies.



Mr. Runk has a proven track record of meeting schedules and adhering to budgets. Since joining DTA in 2000, he has worked with local agencies to resolve community issues and negotiate scope changes with contractors to ensure the timely and satisfactory completion of construction projects. He has also acted as the Project Manager for the establishment of ADs and preparation of numerous AB 1600 DIF justification studies. Mr. Runk specializes in preparing assessment apportionment formulas and fee studies for roads, storm drains, and water and wastewater facilities. He has been involved in preparing needs lists and apportioning facilities costs for many of DTA's AB 1600 studies, including those in the Cities of Anaheim, Brawley, Coachella, Chino Hills, Hesperia, Paso Robles, San Luis Obispo, Tustin, and Victorville, as well as the County of San Bernardino and a number of water districts, including the San Geronio Pass Water Agency. He was also closely involved in DTA's previous work as the AB 1600 consultant for the County of Riverside.

Prior to joining DTA, Mr. Runk, as the Senior Construction Manager for Holmes & Narver, Inc., successfully completed the construction of the SR-41 Freeway in Fresno County, which was the County's first Measure "C" sales tax-funded freeway. Prior to this project, Mr. Runk successfully completed the construction of the SR-71 Freeway in Chino/Chino Hills, California. This \$98 million project was the first Measure "M" sales tax-funded project for the San Bernardino Associated Governments ("SANBAG"). Mr. Runk's responsibilities on both projects included contract management, quality control, public relations, cash flow analyses, project closeout, and compliance with Federal and State funding requirements.

Previously, Mr. Runk held positions with various public and private engineering entities in which he delivered projects requiring a wide variety of engineering expertise. He holds a B.S. in engineering from the University of California at Los Angeles and an M.S. in civil engineering from California State University at Long Beach. Mr. Runk is a registered Civil Engineer in the State of California.

Richard Ruiz, Jr.
Senior Associate | Richard@FinanceDTA.com
Project Role – Task Specialist



Mr. Ruiz has a background in econometrics and industrial organization. Since joining DTA, he has been involved in the formation and administration of numerous CFDs, ADs, and LLDs throughout California and several other states, including Texas, North Carolina, and Utah. His responsibilities related to these projects have included the development of tax spread proforma analyses and preparation of overlapping debt analyses. In addition, while at DTA, he has participated in a variety of projects, including fiscal and economic impact studies for cities and counties throughout California, school district rezoning projects, and city/county annexation projects.

Mr. Ruiz also has extensive experience working on the preparation of DIF justification studies for cities and counties in California. His responsibilities during the impact fee justification and apportionment analysis process for each respective project include the preparation of capital improvement and public facilities needs lists, data collection, the development and modification of the DIF Report model, the production of a written report, and interactions with city and county staff and key stakeholders. **Mr. Ruiz' recent work on DIF studies has included engagements for the Cities of Chino Hills, Colton, Desert Hot Springs, Fowler, Perris, and Victorville and the Counties of San Luis Obispo and Santa Barbara, among others.**

Prior to joining DTA, Mr. Ruiz spent 14 years with an energy economics consulting firm that focused on economic and market research studies, mergers and acquisitions analyses, market entry research strategies, and economic due diligence projects for companies seeking equity funding. He has a degree in economics from California State University at Long Beach with a concentration in public finance.



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SECTION V REQUESTED CHANGES TO CONTRACT

V REQUESTED CHANGES TO CONTRACT

DTA accepts the terms, conditions, and general form of the City's Professional Services Agreement, including the Workers' Compensation requirements, except for the revision noted below.

- Addition of the following phrase to the end of **Section 18, "Documents"**:
"Notwithstanding the above, computer software (including without limitation financial models, compilations of formulas and spreadsheet models), prepared by Consultant are Instruments of Service of Consultant and shall remain the property of Consultant. Consultant shall likewise retain all common law, statutory and other reserved rights, including the copyright thereto."

This supplemental language has been requested to provide us with adequate trade secret protection. We have developed our computer models over the past 36 years and the formulas inherent in the models are proprietary. However, the ultimate work product itself can belong to the City.

VI COST PROPOSAL

Fees for services shall be charged on an hourly basis according to the rates set forth in the fee schedule below, with invoices being submitted to the City monthly. The estimated fee for services is not to exceed \$50,000 for the Scope of Work. Notably, the figures listed in Table 7 for each task are just estimates and the charges assigned to any one task may be transferred to another task, as long as the overall invoices submitted by DTA do not exceed \$50,000, excluding expenses. Fees for services shall be charged according to the professional services fee schedule identified in Table 8.

Table 7: Proposed Budget

Description	Title	Hourly Rate	Est. Hours	Total Cost
Task #1: Development of Project Strategy and Kickoff Meeting	President/MD	\$275	5	\$1,375
	Vice President	\$240	0	\$0
	Senior Associate	\$185	6	\$1,110
Task 1			11	\$2,485
Task #2: Develop Population and Demographic Projections	President/MD	\$275	6	\$1,650
	Vice President	\$240	0	\$0
	Senior Associate	\$185	12	\$2,220
Task 2			24	\$3,870
Task #3: Review Facility/Capital Needs and Levels of Service	President/MD	\$275	12	\$3,300
	Vice President	\$240	8	\$1,920
	Senior Associate	\$185	32	\$5,920
Task 3			52	\$11,140
Task #4: Develop Methodology for Calculating New Fee Amounts	President/MD	\$275	6	\$1,650
	Vice President	\$240	0	\$0
	Senior Associate	\$185	12	\$2,220
Task 4			18	\$3,870
Task #5: Determine Fee Levels and Conduct Comparative Fee Study with Other Cities	President/MD	\$275	12	\$3,300
	Vice President	\$240	0	\$0
	Senior Associate	\$185	28	\$5,180
Task 5			40	\$8,480
Task #6: Prepare Draft and Final Reports	President/MD	\$275	20	\$5,500
	Vice President	\$240	0	\$0
	Senior Associate	\$185	31	\$5,735
Task 6			51	\$11,235
Task #7: Outline Tasks Required for the Implementation and Administration of the Fee Program	President/MD	\$275	4	\$1,100
	Vice President	\$240	0	\$0
	Senior Associate	\$185	4	\$740
Task 7			8	\$1,840

Description	Title	Hourly Rate	Est. Hours	Total Cost
Task #8: Attend Four (4) Additional Meetings and Public Outreach	President/MD	\$275	12	\$3,300
	Vice President	\$240	0	\$0
	Senior Associate	\$185	20	\$3,700
Task 8			32	\$7,000
Total Not to Exceed	President/MD	\$275	77	\$21,175
	Vice President	\$240	8	\$1,920
	Senior Associate	\$185	145	\$26,825
Total*			230	\$50,000

*Note: This total has been rounded for budgeting purposes.

Table 8: DTA's Fee Schedule

Labor Category	Labor Rate
President/Managing Director	\$275/Hour
Senior Vice President	\$260/Hour
Vice President	\$240/Hour
Manager	\$195/Hour
Senior Associate	\$185/Hour
Associate III	\$175/Hour
Associate II	\$165/Hour
Associate I	\$150/Hour
Research Associate II	\$140/Hour
Research Associate I	\$125/Hour

Additional meetings [more than the five (5) meetings specified in the Scope of Work, including three (3) in-person meetings and two (2) virtual meetings] shall be billed on a time and materials basis.

Out-of-pocket and administrative expenses shall be equal to 3% of DTA's billings for labor, plus travel expenses and any outside vendor payments, not to exceed \$2,000. All hourly rates for services apply through June 30, 2022, and are subject to a cost-of-living increase at that time. On or about the first two weeks of each month during which consulting services are rendered hereunder, DTA shall present to the City an invoice covering the current consulting services performed and reimbursable expenses incurred pursuant to this Notice of Authorization. Invoices shall be paid by the City within 30 days of the date of each invoice. A 1.2% charge may be imposed monthly against accounts that are not paid within 45 days of the date of each invoice. The prevailing party in any legal action brought by one party against the other and arising out of this Consultant Agreement shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses, including court costs and reasonable attorneys' fees.

A Limitations

The labor costs in the table above include attendance at a total of three (3) formal in-person meetings with City staff and the City Council, plus two (2) online meetings with City staff and stakeholders. Attendance at more than five (5) meetings, detailed written responses to resolve disputes, or the preparation of more than one set of major revisions to the Draft Report will be classified as additional work and may require further billing at the hourly rates identified in Table 8 if the maximum fee level has been exceeded.

Other examples of additional work shall include:

- Additional analyses based on revised assumptions requested by the City, including possible changes in the Needs List, infrastructure costs, population projections, future land uses and related data once the preparation of the Draft Report has been initiated, as well as adjustments to assumptions once the Draft Report has been approved;
- Additional meetings or lengthy negotiations with stakeholders, including representatives of the BIA;
- Tasks related to litigation by stakeholders should it occur once the Fee Study has been completed;
- Time expended related to obtaining data assigned to the City under "Information to be Provided by the City"; and
- Actual implementation of the fee program(s).

The maximum fee listed above assumes the review and implementation of the fee program with a schedule between initiation of services and public outreach that is within the proposed time frame according to the City's specifications.



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5000 BIRCH STREET, SUITE 3000
NEWPORT BEACH, CA 92660
PHONE: (800) 969-4DTA

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